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May 25, 2006

John Spirito, Hearing Officer Division of Public Utilities and Carriers 89 Jefferson Boulevard Warwick, RI 02888

Re: National Grid/Southern Union Acquisition

DPUC Docket No. D-06-13

Dear Mr. Spirito:

The reply letter filed yesterday by the Attorney General's office is both unfortunate and disappointing. Southern Union disagrees with the content of that letter, but sees no point in responding in light of the letter's tone. We urge the hearing officer to move forward with the June 1 discovery conference where the parties can resolve any outstanding issues.

Before we received the letter from the Attorney General's office, I invited Mr. Roberti, by phone and by email, to meet with me to discuss any discovery issues, and to work on stipulations regarding (1) the estimated cost of the cleanup in Tiverton and (2) Southern Union's financial wherewithal to fund the remediation if legally obligated to do so. These stipulations could resolve many of the discovery issues and substantially shorten any prefiled or live testimony. Regrettably, Mr. Roberti declined my invitation shortly after sending out his letter. I am happy to report that Brian Wagner representing RIDEM has agreed to meet to discuss these issues. Southern Union's invitation to Mr. Roberti remains open, and I remain hopeful that Paul will meet with us to discuss these stipulations and any related discovery concerns.

Thank you for your consideration.

Very truly yours

Gerald J. Petros

Control

cc: Service List

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